



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 11, 2015

The Honorable William H. Pauley III
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street, Room 1920
New York, New York 10007

Re: SEC v. Caledonian Bank Ltd., et al.
Case No. 15-cv-894 (WHP)

Your Honor:

On behalf of the Securities and Exchange Commission, I write to provide a status report on the asset freeze as it pertains to brokerage accounts in the name of Defendant Verdmont Capital, S.A. Yesterday the SEC was in contact with Morgan Stanley in connection with the modified asset freeze as to \$66,677,852 in a Morgan Stanley account in the name of Defendant Caledonian Bank Ltd. This amount is frozen pursuant to paragraph 4(b) of the Modifications entered by the Court on February 9, 2015. In our conversations with Morgan Stanley regarding the Caledonian Bank asset freeze, counsel for Morgan Stanley brought up the subject of Verdmont and informed us that Verdmont also had accounts at Morgan Stanley. We discussed these accounts with counsel for Verdmont and, in an email pre-cleared by defense counsel, the SEC requested that Morgan Stanley place a freeze on the Verdmont accounts.

Respectfully,

A handwritten signature in black ink, appearing to read "Richard E. Simpson".

Richard E. Simpson
Assistant Chief Litigation Counsel
(202) 551-4492

cc: Sigal P. Mandelker (by email)
Robert J.A. Zito (by email)